

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 876 - SB 741**

March 17, 2011

**SUMMARY OF BILL:** Requires all travel costs paid by a utility district to be included in the annual statement published by utility districts in the county newspaper of general circulation. Requires the district to report to the Utility Management Review Board the annual average unaccounted for water. Requires public water systems to include in their annual report the system's annual average unaccounted for water loss in the manner prescribed by the water and wastewater financing board. Requires all utility district expenditures made by a utility district to be for a lawful district purpose. Requires a person filing a petition with the Utility Management Review Board to remove a commissioner to also file a \$350 bond payable to the State.

**ESTIMATED FISCAL IMPACT:**

**NOT SIGNIFICANT**

Assumptions:

- Utility districts are currently required to publish annual statements. Requiring districts to include travel costs paid by the district will not have a significant impact on the operations of local utility districts.
- According to the Tennessee Association of Utility Districts (TAUD), water utilities are currently required to report the water loss in percentages. Removing the term "percentage" from current reporting standards will more accurately reflect the American Water Works Standard for reporting loss but will not affect the frequency of reporting or the staff time necessary to complete a report.
- According to the TAUD, there were two petitions to remove a utility commissioner in 2010. One petition was heard before an administrative law judge who subsequently ruled in favor of the district. The second petition was dropped by the petitioner.
- Based on information provided by the TAUD, there have been no petitions filed to remove commissioners in the 10-years prior to 2010. Utility districts currently are responsible for the costs associated with defending a petition to remove a commissioner. Under the provisions of this bill, if future petitions are successful, the district will continue to bear those costs. To the extent that any such petitions are not successful in removing a commissioner for any reason, there will be a not significant decrease to local expenditures.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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